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**SIMPLIFIED SHOPS AND ESTABLISHMENTS REGISTRATION PROCESS FOR COMPANIES IN DELHI**

**1. INTRODUCTION**

The Delhi Shops and Establishments Act, 1954 (“**DSE Act**”) is one of the primary legislations governing the conditions of employment of persons engaged in all shops and commercial establishments within the State of Delhi. It governs several key employment-related matters such as the payment of wages, working hours, overtimes, leaves and measures to be taken for ensuring the safety of employees.

As per the DSE Act, the “*occupier*” of every establishment (defined as the person owning or having charge or control of the establishment and includes the manager, agent or representative of such occupier) is required to get the establishment registered under the DSE Act. The DSE Act and the rules framed thereunder require the submission of physical forms to a Chief Inspector, for the purpose of registering an establishment. However, for the past few years, the Delhi Labour Department has simplified the registration process by having submissions made through the designated portal. On May 28, 2021, registration under the DSE Act was integrated with the SPICE+ portal, a single window clearance system developed by the Ministry of Corporate Affairs for the incorporation of a new company.

In order to augment the effort towards digitisation, the Government of Delhi has recently released the draft Delhi Shops and Establishments (Amendment) Rules, 2021 (“**Draft Rules**”), which seeks to align the general practice followed for registration of establishments with the law. The Draft Rules has now been released for objections and suggestions from relevant stakeholders.

**2. HIGHLIGHTS**

The Draft Rules have introduced the following key changes:

- (a) The occupier of an establishment can only make an application for registration through the online Shop and Establishment portal of the Delhi Labour Department instead of physical submissions as stipulated under the Delhi Shops and Establishment Rules, 1954.
- (b) Under the DSE Act, in case there has been any change in the information submitted to the Chief Inspector as a part of the registration process, the occupier is required to notify the Chief Inspector of such change in Form D. Currently, this requirement also entails a physical submission of forms. The Draft Rules have now made it mandatory for such changes to be notified exclusively through the online portal.

- (c) The Draft Rules extends the time period for notifying any change in information submitted to the Chief Inspector at the time of registration from 15 days to 30 days.
- (d) The Draft Rules has waived off the requirement of payment of any fee for registration and the notification of changes.
- (e) A consolidated form for recording the wages, deductions, overtime, advances, attendance of the employees engaged in an establishment (Form G) has been introduced under the Draft Rules. The older forms that dealt with these aspects separately have hence been either deleted or substituted.

### 3. **INDUSLAW VIEW**

The Draft Rules will certainly bring about significant changes which are aimed at making the compliance process easier and more flexible for especially employers. These changes also ensure that the DSE Act remains at pace with the evolving compliance practices followed by both authorities and employers and are in tune with the business requirements of today.

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